

5. ECONOMIC DEVELOPMENT

A. INTRODUCTION

A community's economy is influenced by its location, the types of industries and other commercial activity it attracts, the education and skills of its working-age population, and the uses of its land. Each community is part of a larger economic region, or areas connected by employment, trade, and transportation characteristics. The boundaries of economic regions usually correspond to land use patterns, utilities, and transportation systems that support the movement of goods and people. For economic statistical purposes, Arlington is part of the Boston-Cambridge-Quincy, MA New England City and Town Area (NECTA) Division (Boston Metro), an area that includes Boston and ninety-two communities with employment ties to Greater Boston and the Route 128/I-95 suburbs.

Economic development improves the quality of life for people in a community by creating good jobs, expanding a community's tax base, improving public services, strengthening the local economy, and enhancing commercial properties. Since local governments depend on property taxes to fund town services, they often pay more attention to the size and make-up of their tax base than the health of their employment base. In Arlington, many people believe the town needs more businesses in order to expand the tax base and shoulder more of the cost of local government services. Arlington has very little developable land left, so retaining and expanding its employment base will depend on redevelopment opportunities, mainly in the business districts along Massachusetts Avenue and other commercial areas.

B. ECONOMIC DEVELOPMENT GOALS

- Maximize the buildout potential of commercial and industrial properties.
- Support conditions that benefit small, independent businesses.
- Improve access to public transit and parking.
- Preserve and maintain Arlington's historic structures and cultural properties to leverage economic development.

C. KEY FINDINGS

- Arlington's convenient access to employment centers in Boston and Cambridge attracts highly-educated and skilled homebuyers and renters. Thirty-nine percent of its labor force commutes to these two cities.
- Arlington has a highly ranked school district based on recent MCAS and SAT scores. The quality of Arlington's schools helps to maintain and enhance the town's residential appeal.

- Arlington has a lower tax rate than most of the surrounding cities and towns. In addition, Arlington does not have a split tax rate, i.e., a higher rate for commercial property.
- Arlington experienced an increase of 70 businesses between 2008 and 2012. Employment also recovered in 2012, surpassing pre-recession conditions.
- Arlington has a diverse base of local businesses across nearly all industry sectors. Jobs in construction, personal and other services, education and health care, real estate, and government make up larger percentages of employment in Arlington than the Boston metropolitan area.
- Arlington’s two theatres – the Capitol Theatre in East Arlington and the Regent Theatre in Arlington Center – draw approximately 200,000 patrons per year, who spend \$2.4 million per year at shops and restaurants in these districts, according to a study prepared for the Arlington Planning Department.
- Arlington has a vibrant local arts community. Several organizations devoted to cultural production and appreciation are located in Arlington, and many self-employed residents work in the fine and performing arts. This creative infrastructure helps makes Arlington’s commercial districts interesting places to shop, visit and work, which in turn boosts the utility and value of the commercial properties in them.
- Wages paid by local employers in Arlington are much lower (-39%) than in Middlesex County for all industries except retail. This contributes to the fairly small percentage of Arlington residents who work locally.

D. EXISTING CONDITIONS

1. Arlington’s Labor Force

A community’s labor force includes all residents 16 years of age and older, employed or looking for work. Arlington’s labor force includes 24,984 people, for a 72.3 percent labor force participation rate. As Table 5.1 indicates, Arlington has a relatively high labor force participation rate, surpassed only by that of Somerville.

| Geography | Labor Force | Labor Force Participation Rate | Civilian Employed | Unemployment Rate |
|------------|-------------|--------------------------------|-------------------|-------------------|
| ARLINGTON | 24,984 | 72.3% | 23,747 | 4.8% |
| Belmont | 13,097 | 67.5% | 12,552 | 4.1% |
| Cambridge | 63,071 | 68.3% | 59,018 | 6.0% |
| Lexington | 15,512 | 64.2% | 14,835 | 4.3% |
| Medford | 33,504 | 69.8% | 31,003 | 7.4% |
| Somerville | 50,435 | 75.2% | 47,073 | 6.5% |
| Winchester | 10,076 | 63.3% | 9,408 | 6.4% |

Source: U.S. Census Bureau, American Community Survey (ACS) 2007-2011, DP-03.
 Note: Table 5.1 omits military employment. For these seven communities, the combined total of Armed Forces employment is 473 people.

OCCUPATIONS

As an indicator of the economic differences that separate the Boston Metro area from the state as a whole, residents of Arlington and other close-in suburbs are far more likely to have management, science, technology, and arts occupations than their counterparts throughout

Massachusetts. In federal census terms, an **occupation** describes the kind of work the person does, which is not the same as the **industry** a person works in or whether the person’s employer is a public agency or private company. Table 5.2 shows that 64 percent of Arlington residents have management, science, technology, or arts occupations, compared with 43 percent statewide, while only 3 percent have production, manufacturing, or transportation jobs compared with 9 percent statewide.

Table 5.2. Employed Civilian Labor Force by Occupation (2011)

| Geography | Employed Civilian Labor Force | Percent in Occupational Groups | | | | |
|------------------|-------------------------------|--------------------------------|---------|------------------|-----------------------------------|----------------------------|
| | | Management, Science, Arts | Service | Sales and Office | Construction, Maintenance, Mining | Production, Transportation |
| ARLINGTON | 23,747 | 64.1% | 8.9% | 20.8% | 3.7% | 2.6% |
| Belmont | 12,552 | 66.7% | 10.5% | 17.0% | 3.1% | 2.7% |
| Cambridge | 59,018 | 69.6% | 10.5% | 15.5% | 1.7% | 2.7% |
| Lexington | 14,835 | 74.6% | 6.7% | 15.6% | 0.8% | 2.4% |
| Medford | 31,003 | 48.4% | 15.2% | 24.7% | 6.0% | 5.6% |
| Somerville | 47,073 | 53.4% | 16.8% | 19.9% | 5.3% | 4.6% |
| Winchester | 9,408 | 69.2% | 7.6% | 18.8% | 2.1% | 2.3% |
| Massachusetts | 3,280,503 | 43.1% | 16.8% | 23.9% | 7.2% | 9.0% |
| Middlesex County | 791,260 | 51.8% | 14.2% | 21.5% | 6.0% | 6.6% |

Source: U.S. Census Bureau, ACS 2007-2011, DP3, and RKG Associates.

Brief Definitions:

- Service occupations include a variety of occupations, from protective service workers to bartenders and wait staff in restaurants and personal services such as barbers and flight attendants.
- Sales and Office occupations include retail sales, wholesale representatives, travel agents, real estate agents and brokers, telemarketers, and others.
- Construction, Maintenance, Mining occupations include all of the construction trades and allied occupations, installation and repair workers,
- Production occupations include manufacturing, assembly, machinists, printers,
- Transportation occupations include trucking, bus drivers, taxi drivers, ambulance drivers, railroad operators, parking lot attendants, boat captains, material moving workers, truck and tractor operators, and so on.

LABOR FORCE BY INDUSTRY

Residents of Arlington and all of the surrounding communities are well represented in the information, professional and scientific services, and education, health care, and social service sectors: strong suits in the Boston Metro area economy. Approximately 68 percent of Arlington’s employed civilian labor force works in the information sector or the professional/scientific or education, health care, and social service sectors, which include industries that often require considerable expertise and training (Figure 5.1). These are also among the top growth sectors in Eastern Massachusetts, and in many cases they involve industries offering fairly high-wage employment. On average, Arlington residents are 1.5 to 1.7 times more likely to work in one of these industries than residents elsewhere in the state, which partially reflects the fairly high educational attainment of Arlington’s population.¹ Since Cambridge and Somerville house so many people affiliated with the colleges and universities, they surpass Arlington and other nearby communities for labor force percent employed in education. Somerville also has a larger-

¹ See Section 1, Demographic Characteristics; and *Economic Development Self-Assessment Tool Results for the Town of Arlington* (EDSAT) (June 2012), 5.

than-average share of residents in the arts, entertainment, accommodations, and recreation industries.

CLASS OF WORKER

Arlington’s labor force is similar to that of the state and Middlesex County in terms of employment type. Nearly 82 percent of Arlington residents have a wage or salary job with a private-sector business or non-profit organization (Figure 5.2). About 7 percent are self-employed individuals (sole proprietors), many of whom work at home. Residents working for a government employer at the federal, state, or local level represent 11 percent of Arlington’s labor force. These statistics generally hold true in the neighboring cities and towns, with some exceptions. For example, Belmont tends to have more residents in public-sector employment, and Belmont and Lexington residents are more likely to be self-employed business owners.

Figure 5.1
Arlington Labor Force: Employment Profile
 (Source: ACS 2007-2011)

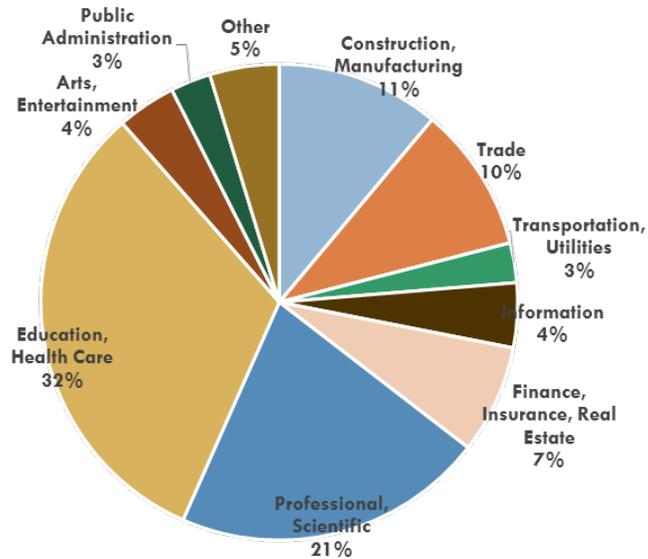
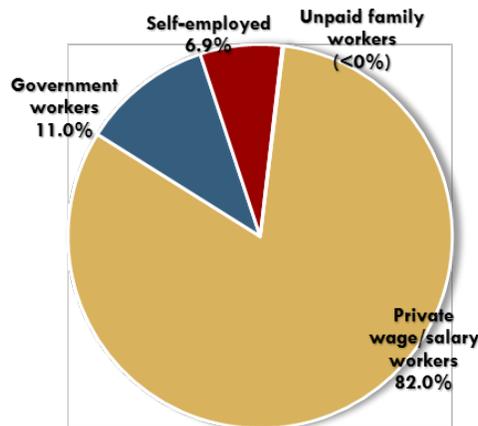


Figure 5.2
Arlington Labor Force by Class of Worker (2012)
 (Source: ACS 2012)



EARNINGS

The primary source of income for most households is wage and salary earnings, i.e., income from employment (Table 5.3). Despite Arlington’s high labor force participation rate, it has a relatively smaller percentage of households with wage and salary income than nearby communities. Arlington women with full-time, year-round jobs earn about 81 percent the annual earnings of Arlington men. While low, several communities around Arlington have an even lower gender wage ratio, such as Lexington, at 76 percent, and Winchester, at 64 percent. Median annual earnings of women in Lexington and Winchester exceeds that of women in Arlington, but the more significant difference lies with the earnings of males in these communities. For example, Arlington males with full-time, year-round employment earn just 63 percent of the median earnings for males in Winchester and 68 percent in Lexington.

Table 5.3. Labor Force and Annual Earnings from Wage and Salary Income (2011)

| Geography | Households with Earnings | % Households | Mean Household Income from Earnings | Full-Time Workers | | | Gender Wage Ratios |
|---------------|--------------------------|--------------|-------------------------------------|-------------------|----------------------|------------------------|--------------------|
| | | | | Per Capita Income | Male Median Earnings | Female Median Earnings | |
| ARLINGTON | 15,541 | 81.8% | \$109,468 | \$47,571 | \$78,820 | \$64,143 | .814 |
| Belmont | 7,811 | 82.5% | \$136,886 | \$54,361 | \$83,314 | \$64,853 | .778 |
| Cambridge | 38,084 | 83.9% | \$100,344 | \$46,242 | \$64,128 | \$52,784 | .823 |
| Lexington | 9,437 | 82.7% | \$179,033 | \$67,584 | \$116,673 | \$88,327 | .757 |
| Medford | 18,348 | 81.7% | \$87,695 | \$34,615 | \$60,171 | \$51,403 | .854 |
| Somerville | 26,748 | 85.0% | \$80,285 | \$32,785 | \$47,839 | \$45,439 | .950 |
| Winchester | 6,251 | 82.1% | \$179,206 | \$65,172 | \$124,934 | \$79,632 | .637 |
| Massachusetts | 2,004,109 | 79.5% | \$92,195 | \$35,051 | \$59,411 | \$46,231 | .778 |
| Middlesex | 478,725 | 82.9% | \$107,220 | \$41,453 | \$67,037 | \$52,080 | .777 |

Source: ACS 2007-2011, RKG Associates.

PLACE OF WORK

As a residential suburb with a fairly small employment base, Arlington does not offer many options for its own population to work locally. In fact, most residents commute to jobs outside of town. Almost 40 percent commute to Boston or Cambridge, and 15.7 percent work in Arlington. Another 11.3 percent have jobs in neighboring Belmont, Lexington, Medford, Somerville, or Winchester. Of the remaining 33 percent, the overwhelming majority commute to Burlington, Waltham, or another major employment center along Route 128/I-95.² Arlington has a smaller percentage of locally employed residents than any of the adjacent cities and towns. For Arlington, out-of-town commutes are responsible for a 32 percent decrease in the town’s daytime population.³

Almost 6 percent of Arlington’s employed labor force works at home. Most home-based workers are self-employed individuals, but some are telecommuters, i.e., people who work for a business

² See also, Section 3: Transportation.

³ Source: U.S. Census Bureau, ACS 2006-2010 5-Year Estimates, Journey to Work and Migration Statistics, Table 2. Commuter-Adjusted Daytime Population: Minor Civil Divisions (July 24, 2012).

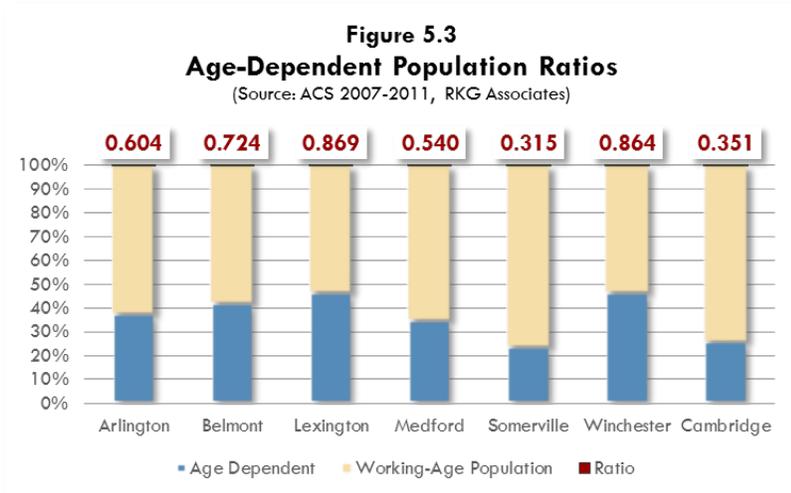
that allows them to work at home for all or a portion of the work week. Though a larger share of Arlington’s labor force works at home than that of Middlesex County or the state, several surrounding communities have even larger shares, notably Lexington, at 8.5 percent, and Belmont, at 7.8 percent.

This relatively large, well-educated home-based workforce, combined with a strategic location between Cambridge and the Route 128 corridor and good transit and highway access, makes Arlington a good potential location for new types of flexible, collaborative work spaces that allow home-based workers to interact with a diverse set of peers that offer tangible socialization and cross-fertilization synergies from sharing ideas, methods and services. These “co-working” facilities meet the greatest need of home-based workers – periodic social interaction in a professional, efficient and comfortable working environment that offer shared office services (conference rooms, printers, kitchen facilities, messaging and reception service, etc.) not available at home, coffee shops or other places. The ability to rent a wide array of space on a daily, weekly or monthly basis in most co-working spaces is also attractive to home-based workers as well as small technology, information and creative start-up firms with fluctuating funding and staffing levels. Most importantly for Arlington, co-working spaces, business incubators and similar facilities can be created in existing under-utilized retail, office and warehouse/industrial properties with relatively little capital and effort (mostly interior renovations that require little or no alterations to building footprints or facades). Co-working spaces are most successful when located in vibrant, interesting commercial districts, where workers can periodically leave to patronize diverse shopping, dining and cultural establishments. The Arlington Heights, Arlington Center and East Arlington business districts could be ideal sites for these types of shared workspaces where they can benefit from synergies offered by proximity to restaurants, shops and service establishments.

AGE DEPENDENCY

Arlington’s high labor force participation rate indicates the presence of a relatively large working-age population. Accordingly, it makes sense that Arlington also has a fairly low **age dependency ratio**, that is, the relationship between the number of “dependent” persons – mainly children and senior citizens – and the labor force. In Arlington, the age dependency ratio is .604 (Figure 5.3), which means 0.60 children and seniors for every one working-age resident. The age

dependency ratios in Cambridge, Somerville, and Medford are conspicuously low due to the sheer size of their college and graduate student populations. By contrast, Lexington and Winchester – affluent suburbs with many families and large populations of school-age children–have much



higher age dependency ratios of 0.864 and 0.869, respectively. Dependency ratios provide another way of understanding the size and strength of a community's labor force, but they also can be important indicators of the cost to live in a community for the working-age population. As a rule, high dependency ratios, as in Lexington and Winchester, indicate the need for high household incomes to support the cost of municipal and school services. This is because the cost of services that benefit a large percentage of the population (seniors and school-age children) is paid for by a relatively small percentage of the population (the working-age population). Following this logic, Arlington is a relatively inexpensive community for working age residents, particularly compared to more affluent neighboring communities.

2. Employment Base

A community's **employment base** includes all payroll jobs reported by for-profit, non-profit and public employers. Arlington's employment base includes 8,432 jobs, 87 percent of which are in industries that provide some type of professional, technical, financial, personal, or other service. Since 2001, the local employment base has declined by 4 percent if measured in jobs, but has grown almost 9 percent if measured by number of businesses. Arlington has more employer establishments in 2013, but on average, fewer jobs per employer. The limited number of jobs in Arlington helps to explain why so many residents commute to out-of-town places of employment. Under existing conditions, the jobs-to-housing ratio in Arlington is only 0.41, i.e., 0.41 jobs for every one housing unit – far from the standard planning range of 1.3 to 1.7 jobs per unit.⁴ Arlington's jobs-to-housing ratio is fairly consistent with the amount of commercial and industrial floor space that currently exists in the town (about 2.5 million sq. ft.), assuming an overall average of one employee per 300 sq. ft. (industry standard). New types of co-working or shared-workplace environments focused around collaborative work areas and shared printing, meeting and kitchen facilities reduce average space usage to nearly 150-200 sq. ft. per worker.

LOCATION QUOTIENTS

Location quotients compare employment by industry in two or more geographic areas. The quotient is a ratio of the percentage of an industry's employment in one area to that of a larger comparison area. If the location quotient for a given industry's employment falls between 0.90 and 1.10, the industry's proportion of jobs is virtually equal in both places. A location quotient of less than 0.90 identifies an industry that is under-represented in the local economy, and one that is more than 1.10 identifies an industry with a disproportionately large percentage of local employment. For planning purposes, location quotients suggest opportunities for industries to claim a larger share of employment. They can also indicate the danger of over-dependence on a single industry. Sometimes a high location quotient signals unique regional conditions, too, such as hospitality and tourism businesses in seasonal resort areas.

A location quotient analysis of Arlington's employment base indicates that some industries are thriving and others have a relatively small local presence (Table 5.4). Compared with the structure of the state's economy, Arlington's strongest industries include construction,

⁴ Jerry Weitz, *The Jobs-Housing Balance*, Planning Advisory Service No. 516, American Planning Association (November 2003), 4

information services, real estate, education and health care, personal services, and public administration. In some cases, these industries make up a small share of Arlington’s employment base, but they make up a fraction of the state’s employment base, too.

Table 5.4. Analysis of Location Quotations for Arlington’s Employment Base (2012)

| Industry | Location Quotient | Industry | Location Quotient |
|--|-------------------|-------------------------------------|-------------------|
| Construction | 2.875 | Finance and Insurance | 0.849 |
| Other Services (auto & equipment repair, laundry services, personal care, pet care, fraternal organizations, etc.) | 1.887 | Trade, Transportation and Utilities | 0.791 |
| Real Estate, Rental and Leasing | 1.311 | Professional and Business Services | 0.622 |
| Public Administration (federal, state & local non-educational government workers) | 1.294 | Transportation and Warehousing | 0.578 |
| Information (Digital, print and multi-media publishing, broadcasting & communication) | 1.170 | Wholesale Trade | 0.407 |
| Educational Services (public and private, pre-k to college) | 1.149 | Non-Durable Goods Manufacturing | 0.399 |
| Health Care and Social Assistance | 1.127 | Manufacturing | 0.166 |
| Retail Trade | 1.018 | Durable Goods Manufacturing | 0.044 |
| Accommodations and Food Service | 1.016 | | |
| Arts, Entertainment, Recreation | 0.991 | | |

Sources: Mass. Executive Office of Labor and Workforce Development, ES-202; and RKG Associates.

LOCAL WAGES

The average weekly wage paid by Arlington employers, \$844, is low compared with statewide wages. Table 5.5 shows that in some cases Arlington has a relatively small number of jobs in the

Table 5.5. Employment in Arlington by Industry, Weekly Wage, and Location Quotient (2012)

| Industry | Total Jobs | Weekly Wage | Location Quotient |
|-------------------------------------|------------|-------------|-------------------|
| Finance and Insurance | 367 | \$1,561 | 0.849 |
| Information | 281 | \$1,380 | 1.170 |
| Wholesale Trade | 129 | \$1,247 | 0.407 |
| Professional and Business Services | 805 | \$1,220 | 0.622 |
| Public Administration | 452 | \$1,133 | 1.294 |
| Construction | 946 | \$1,122 | 2.875 |
| Transportation and Warehousing | 146 | \$1,009 | 0.578 |
| Durable Goods Manufacturing | 19 | \$966 | 0.166 |
| Real Estate, Rental and Leasing | 140 | \$963 | 1.311 |
| Educational Services | 990 | \$780 | 1.149 |
| Health Care and Social Assistance | 1,585 | \$690 | 1.127 |
| Manufacturing | 109 | \$606 | 0.166 |
| Retail Trade | 916 | \$586 | 1.018 |
| Non-Durable Goods Manufacturing | 90 | \$530 | 0.044 |
| Other Services | 695 | \$503 | 1.887 |
| Arts, Entertainment, and Recreation | 144 | \$436 | 0.991 |
| Accommodation and Food Services | 728 | \$376 | 1.016 |

Source: Executive Office of Labor and Workforce Development (EOLWD), ES-202, RKG Associates.

higher-wage employment industries such as wholesale trade, with an average weekly wage of \$1,247 and a location quotient of only 0.407. By contrast, an industry with a high location quotient such as “other services” at 1.887 pays very low weekly wages – too low to support a household in Arlington’s housing market. This also contributes to the large percentage of residents who commute to jobs outside of Arlington for higher wages.

MARKETS SERVED BY ARLINGTON’S EMPLOYMENT BASE

Another way to think about Arlington’s local economy is whether any of the existing employment serves markets outside the town itself. **Basic employment** includes industries that depend on external demand, e.g., manufacturing, which ships goods to non-local markets. Employment in manufacturing, farming, and mining is inherently basic, and almost any industry with a location quotient greater than 1.00 involves some basic employment. Non-basic or local market-serving employment depends almost entirely on local demand and usually employs local residents, e.g., grocery stores and small personal service establishments. Since an economy with a large percentage of basic employment is usually more resilient during an economic downturn, the division of basic and non-basic employment is important. About 20 percent of Arlington’s economy consists of basic employment, which is fairly small but consistent with the overall profile of local industries, jobs, and wages. Arlington’s many restaurants provide some basic employment, as suggested by the location quotient of 1.016. Together, the arts, entertainment, and food services industries operate as a “bundle” that draws people to Arlington from other communities, as discussed in a report prepared for the Arlington Planning Department in 2013.⁵ According to the report, the Regent Theatre and Capitol Theatre attract 200,000 patrons each year, including 120,000 patrons from other communities and states. This is a good example of both basic employment and competitive business clustering, i.e., the advantages that businesses in related or allied sectors gain from being located in close proximity to each other.

3. Arts, Culture and Tourism

Contemporary art and culture play an important part in Arlington’s community identity and economy. Approximately 630 Arlington residents work in the visual, print, performing arts, and related fields,⁶ and if they work as self-employed individuals, their employment is not reported in standard employment base statistics from state and federal agencies. Arts and cultural businesses and organizations spur economic activity not just by employing people, but by drawing patrons to the town’s commercial districts, where they also patronize adjacent businesses and help to keep the town’s wealth within its borders. These benefits are enhanced by the ability of arts and cultural establishments to attract out-of-town audiences for their work. These visitors tend to patronize nearby shops, services and restaurants before or after artistic and cultural events. The most obvious example of this is the town’s two aforementioned theaters, whose patrons annually spend \$2.4 million on nearby shops, restaurants and service businesses.

⁵ See also, Margaret Collins, Cambridge Economic Research, *Economic Impact of Arlington’s Theatres* (September 2013), prepared for Arlington Planning Department.

⁶ ACS 2008-2012, Table C24030.

Tourism has similar economic benefits for local businesses, as visitors to Arlington's historic attractions patronize local businesses during their time in town.

Many local organizations promote and enhance both the arts and Arlington's history, which tend to be interwoven. Arlington established a Committee on Tourism in 2010. Arlington became a charter member of the Battle Road Scenic By-Way Committee in 2013, a regional partnership of Battle Road communities (Arlington, Bedford, Concord & Lexington) and the Minuteman National Historical Park, organized to jointly promote and enhance tourism along the length of the Battle Road area.

4. Commercial and Industrial Development

Arlington has three linear commercial centers, all located on Massachusetts Avenue, with neighborhood-scale business activity on Broadway, Chestnut, and Mystic Streets and a mix of older commercial and industrial uses in pockets along Summer Street. Development in these areas is controlled by six business districts and one industrial district, the latter with five industrial nodes along the Mill Brook and the Minuteman Bikeway.

PROPERTY CHARACTERISTICS

The inventory of commercial and industrial property in Arlington includes 415 parcels with a combined total of 193 acres and about 2.5 million sq. ft. of floor space.⁷ Collectively, they generate over \$6 million in real estate taxes, and industrial properties also generate \$222,700 in personal property taxes (FY 2014). Approximately eighty of these properties include mixed uses, i.e., nonresidential and residential units. Between FY 2009 and FY 2014, the amount of real and personal property taxes paid by nonresidential and mixed-use property owners in Arlington increased by 28 percent.⁸

Several commercial properties were recently sold in Arlington. For example, fourteen nonresidential properties – mainly offices and industrial space – were sold between 2011 and 2013 for an average of \$184 per sq. ft. In February 2014, one retail property was listed for sale at \$160 per sq. ft. In addition, about 27,000 sq. ft. of retail, industrial, and office space was available for rent at the time, with rents ranging from a low of \$13.33 per sq. ft. (industrial/flex space) to \$45 per sq. ft. (retail space) and an overall average of about \$25 per sq. ft.⁹ There are no readily available commercial vacancy statistics for Arlington. While Arlington appears to have few vacant properties, it is not clear that all of the occupied commercial space is fully utilized.

PLANNING FOR ECONOMIC GROWTH

In 2010, the Town conducted a vision and revitalization study of the commercial areas. Arlington wanted an assessment of each district's advantages and needs, and realistic strategies to carry out the plan's recommendations. The plan, entitled *Town of Arlington: A Vision and Action Plan for Commercial Revitalization*, focused on Arlington Center but promoted several ideas for Arlington

⁷ Arlington GIS, RKG Associates (March 2013).

⁸ Massachusetts Department of Revenue, Division of Local Services, Municipal Data Bank.

⁹ Loopnet Commercial Real Estate Listings, February-March 2014.

Heights and East Arlington as well. Table 5.6 summarizes the priorities addressed in the 2010 study.

| Commercial Area | Retail Mix | Issues | Solutions |
|------------------------|--|---|--|
| Arlington Heights | Home improvement, sports, hobby stores | Business retention, organization, promotion | <u>Short term:</u> Improve marketing by enhancing district website; update business directory <u>Long term:</u> Redevelop key commercial sites with high-value retail and mixed-use structures. |
| East Arlington | Capitol Theatre, arts and crafts, cinema, galleries, boutiques and eateries, local convenience shopping; thriving businesses, collaborative efforts. | Issues: poor physical condition (signs, commercial storefronts, public infrastructure), parking | <u>Short term:</u> Improve parking availability, enhance district website <u>Long term:</u> Improve Mass. Avenue streetscape |
| Arlington Center | Civic, social, cultural heart of the Town; restaurants, stores, religious institutions, schools | Physically disorganized, visually incoherent; infrastructure, streetscape, public works, parking, marketing | <u>Short term:</u> Improve streetscape, upgrade signage <u>Middle term:</u> Plaza, restore storefront facades <u>Long term:</u> Reconfigure Russell Common Lot, renovate Broadway Plaza |

Source: Koff & Associates (2010).

The plan contains numerous proposals to improve the appearance, operations, and economy of all three areas. For Arlington Heights, the plan recommends from streetscapes and parking management to business promotions, wayfinding strategies, better connections between open spaces along the Mill Brook, and effective use of economic development coordinator in business center revitalization.

The desirability of all three commercial nodes matters to residents and town officials. Of the 4,400 respondents to Arlington’s 2012 Vision 2020 survey, 67 percent rated “distinctive commercial centers” as important or very important to the town. In addition, many long-time residents say that over time, the business districts have changed considerably as old family-owned car dealerships gradually gave way to restaurants, housing, and other uses. As one town official said, “We’re no longer known as the town with nothing but banks and pizza parlors.” Still, just about everyone who participated in the initial interview series for this master plan said economic development, opportunities for start-up businesses, and the future of Arlington’s business districts are critically important issues. Some people think the Town has developed an “anti-business” reputation and that its zoning is antiquated, unresponsive to changing market forces, and procedurally difficult. A recent study of Arlington’s economic development strengths and weaknesses identifies several potential “deal makers” and “deal breakers” to economic growth:

- Strengths: Arlington has a highly-educated workforce with a large number of professionals, strong local school system with very good test scores, very low crime rate, few polluted brownfield sites or under-utilized shopping centers, a history of municipal cooperation with local artists and designers to improve open spaces, production of informative material to explain local permitting processes and more amenities than comparable communities.

- Weaknesses: Arlington has some permitting procedures that take longer than those in other communities, restricted on-site parking; relatively high rents for some types of office, manufacturing, and retail space, lack of Class A office space, limited or no use of available state incentives for economic growth, such as infrastructure grants, tax incentives or the Massachusetts' Expedited Permitting Law, and regionally high housing costs.¹⁰

PROPERTY TAX POLICIES

Arlington has a lower tax rate than most of the surrounding towns. By policy of the Board of Selectmen, Arlington does not impose a higher tax rate on commercial, industrial, and personal property (CIP) than residential property because doing so would provide little fiscal benefit, given the small size of the CIP levy, while increasing costs on small local businesses and commercial property owners (Table 5.7).

Table 5.7. Tax Rate and Tax Base Trends

| Community | FY2014 Property Tax Rates | | % Change FY07-FY14 | | Tax Base Res. % | % Chg. FY07-FY14 | Median Home Value (2013) | % Chg. FY06-FY13 |
|------------|---------------------------|---------|--------------------|-------|-----------------|------------------|--------------------------|------------------|
| | Residential | C/I/P | Residential | C/I/P | | | | |
| ARLINGTON | \$13.79 | \$13.79 | 25.9% | 25.9% | 93.9% | -0.7% | \$483,000 | 8.1% |
| Belmont | \$13.50 | \$13.50 | 30.9% | 30.9% | 94.4% | -0.4% | \$687,850 | 11.1% |
| Cambridge | \$8.38 | \$20.44 | 12.0% | 11.7% | 61.3% | -2.5% | \$550,000 | 23.6% |
| Lexington | \$15.51 | \$29.56 | 36.8% | 35.5% | 86.6% | -1.9% | \$761,250 | 14.5% |
| Medford | \$12.25 | \$24.01 | 37.8% | 33.9% | 87.5% | -1.7% | \$375,000 | -1.3% |
| Somerville | \$12.66 | \$21.51 | 24.7% | 29.0% | 83.6% | -2.4% | \$486,750 | 22.8% |
| Winchester | \$12.66 | \$11.91 | 22.6% | 23.5% | 94.6% | -0.4% | \$737,200 | 24.9% |

Sources: Massachusetts Department of Revenue; RKG Associates, Inc.

5. Economic Development and Arlington’s Fiscal Health

Arlington residents have concerns about the future of the business districts on Massachusetts Avenue and the older industrial areas, many of which are underutilized and seemingly ripe for redevelopment. They also say the Town has allowed too much residential development in non-residentially zoned areas and as a result, the commercial tax base has decreased, placing an ever-greater share of the cost of government on residents. However, the tax burden shift that has occurred in Arlington has roots that pre-date the recent conversion of old commercial space to multifamily dwellings.

After the recession of the early 1990s, Arlington’s property values dropped significantly. Adjusted for inflation (in 2013 constant dollars), they have never fully recovered even though the inventory of commercially taxed parcels has increased. Meanwhile, the housing market boom that began at the end of the 1990s in the Boston Metro-area led to skyrocketing housing values in Arlington – value growth that was exacerbated but not entirely caused by new development (Figure 5.4).

¹⁰ EDSAT, 6-7.

As values rose, the tax rate fell, yet between 2000 and 2013, Arlington’s single-family tax bill was almost always in the top fifty for the state as a whole (Figure 5.5). By 2013, the portion of the tax base attributable to commercial, industrial, and personal property (CIP) was just 6 percent, down from 9 percent in the late 1980s.¹¹ To restore the CIP to pre-recession levels in 2013 would require major land use and density changes in Arlington’s commercial and industrial districts. For example, achieving a

CIP share of 8 percent would require about twice (1.93 times) the amount of commercial floor space that currently exists in Arlington, which is roughly equivalent to adding another story of space to each existing commercial structure in town.

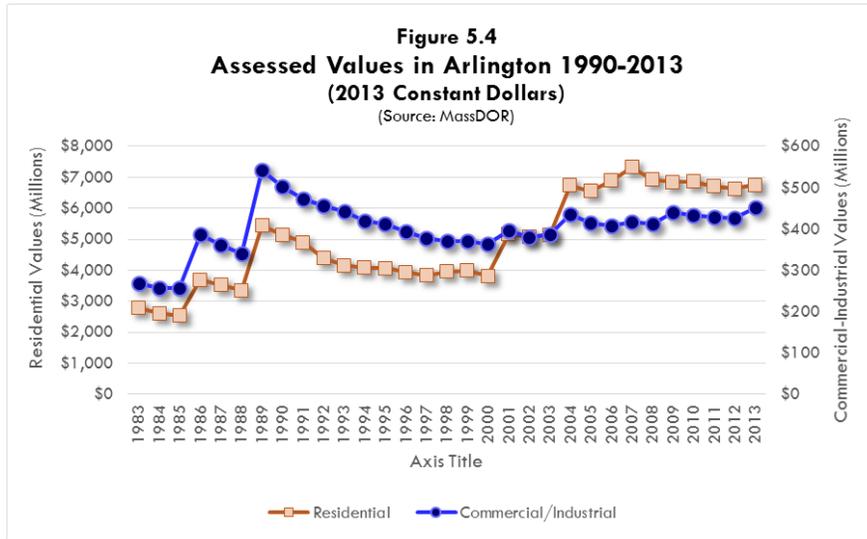
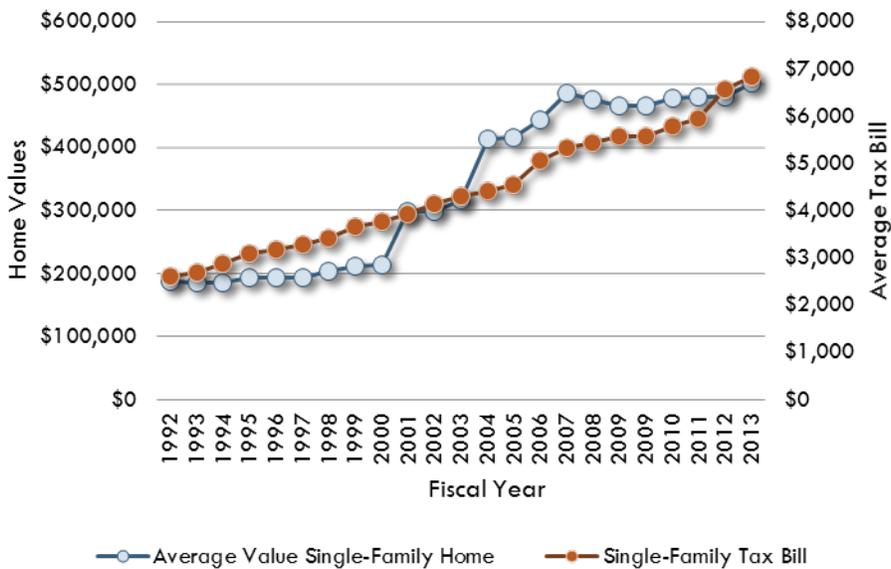


Figure 5.5
Growth in Arlington Single-Family Tax Bills
 1992-2013
 (Source: MA DOR)



¹¹ Massachusetts Department of Revenue (DOR), Division of Local Services (DLS), Municipal Data Bank.

E. ISSUES AND OPPORTUNITIES

1. Long-term employment projections and space needs

Utilizing state employment projections to 2020 from the Executive Office of Labor and Workforce Development (EOLWD), a range in local employment can be estimated by varying the capture rate by different industry sectors based on Arlington's employment between 2008 and 2012. Allocating this estimate to potential building space needs allows one to anticipate what Arlington may need in order to accommodate employment growth over the next several years (Table 5.8).

- Private-sector employment in Arlington is forecasted to range between 6,820 and 7,475 jobs in 2020, for a projected gain of 130 to 1,100 jobs over the next eight years.
- Most of this increase is projected to occur in health care / social assistance, professional / technical services, and finance / insurance sectors.
- The forecasted increase in employment would translate into potential need for 160,000 sq. ft. of office space, 50,000 sq. ft. of industrial/flex space, and 76,000 sq. ft. of retail/commercial space.

These are relatively modest demands given the existing inventory of commercial and industrial floor space. Beyond 2020, parking requirements and building height limits in Arlington's present zoning by-law may significantly impede reinvestment in many of Arlington's commercial parcels due to their relatively small size and narrow dimensions, both of which are legacies of their formation one hundred years ago, before widespread automobile usage and when streetcars traveled the length of Massachusetts Avenue.

2. Retail Service Potential

The existing retail/commercial base in Arlington is underserving its population. This is fairly typical of small metropolitan communities near places with more commercial property. According to the assessor's parcel records, Arlington has 101 parcels with 0.68 million sq. ft. classified as retail buildings for an average of almost 6,700 sq. ft. per parcel. There are also forty-five parcels coded as auto-related uses with 0.2 million sq. ft. of space. Arlington lacks a large-scale shopping mall as found in neighboring Cambridge or Somerville. As a result, most households that shop locally for some of their needs will end up purchasing products outside of Arlington as well, resulting in "sales leakage."

Table 5.9 exhibits the difference between actual retail sales and residential demand in Arlington. The town's retail strength lies in pharmacies and drug store sales, as this sector is an "importer" of sales, i.e., people from outside of Arlington purchase goods at Arlington pharmacies. However, all other store-type categories are leaking sales to other communities. If all leaked sales from Arlington residents were to be captured by Arlington stores, the town could support another 1.2 million sq. ft. of retail development. However, that would require 100 acres of land, assuming a floor area ratio (FAR) of 0.25, or 33 acres with a 0.75 FAR. Under current and future market conditions, it may be possible to capture 10-30 percent of Arlington's leaked sales demand, depending on specific site requirements, parcel size/availability and whether local

demand is strong enough to trigger construction activity among retailers and developers. Arlington's heritage as a pre-war suburb, with commercial properties concentrated linearly along the early streetcar corridors of Massachusetts Avenue and Broadway on comparatively small, shallow parcels, limits, to some extent, the types of retailers that will locate in town. National chain stores and shopping center developers have historically preferred large lots with highway access away from dense and congested commercial districts. Arlington's frontage along Route 2 is zoned for housing and institutional uses and is heavily developed with established residential neighborhoods.

The last column in Table 5.9 details this process. It shows that Arlington could hypothetically support another 5,100 sq. ft. of car parts and tire stores. Do Arlington shoppers want this relatively small level of additional service? Likewise, there is demand for an additional 12,000 sq. ft. of grocery store space, although few regional or national grocery chains will bother to build a small 12,000 sq. ft. market. An existing grocery store could expand, perhaps, if land/site needs can be met and the project could comply with Arlington's existing zoning. The point is that Arlington needs to think practically and strategically about the goods and services residents want and the town's ability to provide for those uses. Its ability to do so will be influenced by the availability of properties with development or redevelopment potential, the location, regulatory, ownership, and other constraints that affect those properties, and conflicting views about density.

3. The Creative Economy

Cultural activities clearly matter to Arlington residents. Vision 2020 surveys show that in any given year, about 66 percent (66%) of the respondents consider cultural activities and historic resources as important characteristics of the Town, and over half strongly support museums, galleries, and theatres as desirable land uses in new development. The U.S. Census Bureau estimates that about 630 Arlington residents work full- or part-time in the visual, print, performing arts, and allied fields, but it is difficult to confirm this estimate, which is based on a sample of the total population.

The local economy includes cultural activities that are not easily captured by available economic data because in so many cases, artists, crafters, musicians, and those in allied fields such as architecture and publishing often work for themselves. When government agencies publish employment base data (such as that reported in Table 5.5), they draw from reports filed by employers that are legally required to carry unemployment compensation insurance. By definition, these reports omit self-employed individuals, a group that includes but is not limited to people with home-based businesses. Assuming the Census Bureau's estimate of 630 people reasonably represents the actual number of arts-related workers in Arlington today, it is likely that most are self-employed, since the Town's employment base for workers in these industries – meaning payroll employment with local business establishments – totals just 144 jobs.

Identifying and addressing the needs of Arlington's arts-related workers could be important for the long-term success of any plan for cultural tourism, one of the fastest-growing components of the tourism industry. Conducting an assessment of the financial, space, technical assistance, marketing, events, and other needs of arts entrepreneurs could help the Town focus its efforts

and determine how it can best support the creative economy, given Arlington's other economic development needs, e.g., business retention and recruitment or instituting financial, permitting, and other incentives for new business development.

4. Redevelopment Opportunities

Arlington has opportunities to promote commercial development, whether free-standing or paired with residential uses (mixed-use development). The following hypothetical redevelopment opportunities illustrate some of the issues that Arlington will need to address if residents want to facilitate economic growth. Since housing diversity and affordability are so essential for a thriving economy, redevelopment opportunities such as these would most likely be enhanced if they included both residential and nonresidential space.

Vicinity of Broadway and Warren Street.

As shown in Figure 5-6, this neighborhood consists of dense one- and two-family homes astride a commercial corridor along Broadway in East Arlington. The Thompson Elementary School and adjacent Lussiano Field are located here, along with the Arlington Center for the Arts and Dearborn Academy.



Figure 5-6. Vicinity Broadway and Warren Street.

A range of commercial/mixed uses are scattered along Broadway, including automotive services, small restaurants, banks, a veterinary clinic, contractors yards, dance studios, and others. A number of apartment complexes are also located in this neighborhood. The commercial parcels along Broadway are relatively small and shallow, averaging 8,000 square feet and less than 100 feet wide. Most of the commercial structures have one or two stories and are in adequate condition. There are two newer bank buildings occupied by Rockland Trust and East Cambridge Savings Bank that are in very good condition. Redevelopment of these parcels with mid-rise, mixed-use development could be achieved, but will require higher densities and land assembly to accommodate surface or structured parking. Rising rents for office, retail and laboratory space in Cambridge and Boston, combined with construction of a new Greenline subway station a mile away on Route 16 in Somerville could make this type of redevelopment activity more feasible.

Dow Avenue and Route 2.

This area, shown in Figure 5.7, consists of two parcels with the larger one owned by the Archdiocese (St. Camillus Parish, and home to a Charter School, Croatian School) and the second is a smaller town-owned parcel in the rear. The surrounding neighborhood is densely developed

with single-family homes (small ranches and capes) and some open space with a playing field and playground.

From a commercial development perspective, the site has access and visibility from Route 2 – both positive qualities. However, the proximity to single-family homes and current zoning could make redevelopment as a stand-alone office or high-tech user difficult. There is no supporting commercial build-up or neighboring uses of like development, as would be the case in a modern business park.

The Planning Department and Arlington Redevelopment Board would need to work with the neighborhood and town meeting members to determine how viable this location would be for nonresidential or mixed-use development that includes commercial



Figure 5.7. Dow Street and Route 2.

space. The site could work for a medical office complex, but medical offices also have some impacts on surrounding areas, notably traffic and parking demands. Moderate-density apartments or townhouse condominiums could be viable, but existing zoning is a significant limiting factor, and neighbors have historically been sensitive to residential development proposals. In each case, potential residential development would enhance the tax base since the parcels are currently tax exempt, although not to the same level provided by commercial office development. In contrast, redevelopment for municipal use, or continued religious or school uses would not enhance the tax base.

Massachusetts Avenue/Lowell Street / Minuteman Bikeway.

Another potential development opportunity is an area along Massachusetts Avenue close to Lowell Street, extending to the rear to the Minuteman Bikeway (Figure 5.8). Car and motorcycle dealerships line Massachusetts Avenue here, as well as other commercial users including restaurants. In the rear, contractors and small businesses operate in older industrial/commercial buildings. The largest of these parcels line Mill Brook, and naturally slope downward from Massachusetts Avenue towards the brook and the Bikeway, making them particularly well suited for accommodating parking garages (elevation changes reduce excavation costs).

Continued use of some of these buildings should be considered for the long term because they provide convenient locations for contractors and business and residential support services and the like to reach their customers. On a broader level, Arlington residents need to consider is whether light industrial uses should be an allowed use along Massachusetts Avenue in twenty

years; if not, redevelopment opportunities should be explored further by the Town and property owners.

Many Arlington residents have stated that the Town should not allow any additional commercial properties to redevelop for residential use. However, demand for strictly commercial space may not be strong enough to justify large-scale redevelopment efforts on these parcels, particularly with structured parking. However, mid-rise mixed-use structures with shops, offices and housing may be the best use to support redevelopment of these sites with the density required to justify development and land assembly costs. Development of collaborative offices and research space may also prove feasible in this location as laboratory and office rents rise in Boston and Cambridge.



Figure 5.8. Massachusetts Avenue-Lowell Street.

This type of redevelopment will key on Massachusetts Avenue, given its strategic location and transit access. However, opportunities there are limited in many places by small, shallow commercial parcels, which make compliance with parking requirements hard, construction of structured parking more difficult and land assemblage expensive. The Town's existing zoning requirements need to be analyzed to see whether they encourage mixed-use development on commercial properties, and, if not, how they can make such development cost-effective in the future.

F. DISCUSSION QUESTIONS

- 1) Many people say that Arlington needs more parking in the commercial areas in order to support local businesses. Do parking requirements in Arlington's zoning promote redevelopment, given that most business-zoned properties do not have enough land to support building expansion and on-site parking. Should zoning attempt to address (real or perceived) parking shortages in business districts accessible to public transportation?
- 2) If Arlington wants to provide for mixed-use development in commercial areas (either along the entire Massachusetts Avenue corridor, just in the three main business districts or in all commercial zones), will residents support: greater building height allowances (under six stories), lower parking requirements, or simpler (expedited) permitting processes for mixed-use redevelopment? How far is Arlington willing to go to support mixed-use projects?

- 3) If Arlington decided to identify Chapter 43D Priority Development Sites – parcels or areas that the Town considers most important for promoting commercial or mixed-use redevelopment – what would those sites be? For example, what are the top three of the following five sites that may be significant:
 - East Broadway (Warren Street to Cambridge line)
 - Massachusetts Avenue, from Lafayette Street to Boulevard Road (next to Route 16 and Cambridge line)
 - Massachusetts Avenue, between Forest Street and Hobbs Court (along Mill Brook)
 - Lowell Street, between Park Avenue and Mill Lane
 - Dow Avenue, next to Route 2
- 4) Arlington has a fairly large percentage of residents who self-report as working at home at some point during the work week. What economic development opportunities exist – if any – to capitalize on the presence of so many home-based workers?
- 5) Arlington has two active theater uses in East Arlington and Arlington Center that draw patrons from all over New England who spend 2.4 million dollars per year in neighboring businesses. Should the Town adopt parking and other policies to support anchor uses that benefit commercial districts as a whole? Should the Town seek opportunities to locate a similar facility or use in Arlington Heights?

| | 2001 | 2008 | 2010 | 2012 Jobs | Employment in 2020 [1] | | Potential Change by 2020 | | Building Requirements [2] (SF) | | |
|--|--------------|--------------|--------------|--------------|------------------------|--------------|--------------------------|--------------|--------------------------------|--------------------------|---------------|
| | | | | | Low | High | Low | High | Industrial/ Flex | Office/ Institutional | Commercial |
| 23 - Construction | 469 | 422 | 366 | 431 | 383 | 449 | (48) | 18 | 8,768 | | |
| 31-33 - Manufacturing | 274 | 123 | 119 | 109 | 124 | 135 | 15 | 26 | 13,178 | | |
| 42 - Wholesale Trade | 89 | 126 | 118 | 129 | 116 | 134 | (13) | 5 | 2,275 | | |
| 44-45 - Retail Trade | 1,202 | 933 | 893 | 916 | 864 | 883 | (52) | (33) | | | N/A |
| 48-49 - Transportation and Warehousing | 11 | 30 | 48 | 51 | 31 | 53 | (20) | 2 | 874 | | |
| 51 - Information | 216 | 103 | 228 | 228 | 101 | 235 | (127) | 7 | | 1,312 | |
| 52 - Finance and Insurance | 328 | 305 | 289 | 367 | 364 | 474 | (3) | 107 | | 21,392 | |
| 53 - Real Estate and Rental and Leasing | 186 | 178 | 165 | 140 | 139 | 171 | (1) | 31 | | 6,127 | |
| 54 - Professional and Technical Services | 671 | 480 | 342 | 359 | 431 | 593 | 72 | 234 | | 46,709 | |
| 56 - Administrative and Waste Services | 359 | 356 | 270 | 321 | 302 | 372 | (19) | 51 | 25,325 | | |
| 61 - Educational Services | 569 | 209 | 201 | 232 | 229 | 252 | (3) | 20 | | 3,972 | |
| 62 - Health Care and Social Assistance | 1,194 | 1,526 | 1,470 | 1,569 | 1,848 | 2,007 | 279 | 438 | | 87,625 | |
| 71 - Arts, Entertainment, and Recreation | 92 | 160 | 146 | 134 | 164 | 201 | 30 | 67 | | | 23,475 |
| 72 - Accommodation and Food Services | 660 | 696 | 685 | 728 | 716 | 734 | (12) | 6 | | | 2,060 |
| 81 - Other Services, Ex. Public Admin | 539 | 549 | 655 | 695 | 726 | 841 | 31 | 146 | | | 51,045 |
| Total | 7,011 | 6,325 | 6,124 | 6,534 | 6,816 | 7,475 | 129 | 1,122 | 50,420 | 167,136 | 76,581 |
| [1] Range based on Arlington's representation of statewide employment by sector for 2008, 2010 or 2012. | | | | | | | | | | | |
| [2] Based on employment per building area at 500 SF for industrial; 200 SF for office; and 350 SF for commercial | | | | | | | | | | | |
| Source: MA Executive Office of Labor & Workforce Development, ULI & RKG Associates, Inc. | | | | | | | | | | | |

| Residential Retail Analysis: Comparative HH Demand & Sales | | Arlington Retail Sales | | | | Estimated | Sales Leakage SF | |
|---|--------------------------|-------------------------------|----------------------|---------------|----------------------|------------------|-------------------------|--------------------|
| Sector (NHCIS code): | 2013 Sales/SF | Demand/ Household | Demand | Sales | Export/Import | Retail SF | Total | Supportable |
| Major Merchandise Line | | \$30,198 | \$589,882,033 | \$185,263,575 | \$404,618,458 | 470,598 | 1,207,897 | 120,790 |
| Motor Vehicle and Parts Dealers-441 | | \$727 | \$14,199,399 | \$739,081 | \$13,460,318 | | 50,794 | 5,079 |
| Automotive Parts/Accessories, Tire Stores-4413 | \$265 | \$727 | \$14,199,399 | \$739,081 | \$13,460,318 | 2,789 | 50,794 | 5,079 |
| Furniture and Home Furnishings Stores-442 | | \$1,064 | \$20,788,880 | \$1,521,469 | \$19,267,411 | | 79,841 | 7,984 |
| Furniture Stores-4421 | \$300 | \$590 | \$11,519,663 | \$952,703 | \$10,566,960 | 3,176 | 35,223 | 3,522 |
| Home Furnishing Stores-4422 | \$195 | \$475 | \$9,269,217 | \$568,766 | \$8,700,451 | 2,917 | 44,618 | 4,462 |
| Electronics and Appliance Stores-443 | | \$976 | \$19,058,490 | \$3,359,739 | \$15,698,751 | | 57,173 | 5,717 |
| Household Appliances Stores-443111 | \$155 | \$124 | \$2,416,820 | \$331,869 | \$2,084,951 | 2,141 | 13,451 | 1,345 |
| Radio, Television, Electronics Stores-443112 | \$350 | \$608 | \$11,882,317 | \$484,078 | \$11,398,239 | 1,383 | 32,566 | 3,257 |
| Computer and Software Stores-44312 | \$345 | \$214 | \$4,179,404 | \$330,952 | \$3,848,452 | 959 | 11,155 | 1,115 |
| Camera and Photographic Equipment Stores-44313 | \$325 | \$30 | \$579,949 | \$2,212,840 | (\$1,632,891) | 6,809 | | |
| Building Material, Garden Equip Stores -444 | | \$4,643 | \$90,703,825 | \$24,871,262 | \$65,832,563 | | 199,422 | 19,942 |
| Home Centers-44411 | \$370 | \$1,712 | \$33,447,472 | \$5,670,518 | \$27,776,954 | 15,326 | 75,073 | 7,507 |
| Paint and Wallpaper Stores-44412 | \$185 | \$71 | \$1,377,357 | \$4,286,505 | (\$2,909,148) | 23,170 | | |
| Hardware Stores-44413 | \$185 | \$406 | \$7,936,058 | \$5,765,656 | \$2,170,402 | 31,166 | 11,732 | 1,173 |
| Other Building Materials Dealers-44419 | \$425 | \$1,209 | \$23,607,700 | \$5,270,343 | \$18,337,357 | 12,401 | 43,147 | 4,315 |
| Building Materials, Lumberyards-444191 | \$400 | \$806 | \$15,737,644 | \$3,383,744 | \$12,353,900 | 8,459 | 30,885 | 3,088 |
| Outdoor Power Equipment Stores-44421 | \$210 | \$48 | \$933,206 | \$494,496 | \$438,710 | 2,355 | 2,089 | 209 |
| Nursery and Garden Centers-44422 | \$210 | \$392 | \$7,664,388 | \$0 | \$7,664,388 | | 36,497 | 3,650 |
| Food and Beverage Stores-445 | | \$5,390 | \$105,284,402 | \$42,929,700 | \$62,354,702 | | 139,023 | 13,902 |
| Supermarkets, Grocery Stores-44511 | \$425 | \$4,391 | \$85,764,691 | \$36,083,677 | \$49,681,014 | 84,903 | 116,897 | 11,690 |
| Convenience Stores-44512 | \$375 | \$220 | \$4,299,213 | \$2,109,146 | \$2,190,067 | 5,624 | 5,840 | 584 |

| Residential Retail Analysis: Comparative HH Demand & Sales | Arlington Retail Sales | | | | | Estimated Retail SF | Sales Leakage SF | |
|---|------------------------|----------------------|--------------|--------------|----------------|------------------------|------------------|-------------|
| | 2013 Sales/SF | Demand/ Household | Demand | Sales | Export/Import | | Total | Supportable |
| Sector (NHCIS code): | | | | | | | | |
| Specialty Food Stores-4452 | \$505 | \$386 | \$7,536,438 | \$1,367,759 | \$6,168,679 | 2,708 | 12,215 | 1,222 |
| Beer, Wine and Liquor Stores-4453 | \$1,060 | \$393 | \$7,684,060 | \$3,369,118 | \$4,314,942 | 3,178 | 4,071 | 407 |
| Health and Personal Care Stores-446 | | \$2,296 | \$44,842,570 | \$54,354,779 | (\$9,512,209) | | 27,109 | 2,711 |
| Pharmacies and Drug Stores-44611 | \$520 | \$1,808 | \$35,323,734 | \$53,425,713 | (\$18,101,979) | 102,742 | | |
| Cosmetics, Beauty Supplies, Perfume Stores-44612 | \$440 | \$158 | \$3,093,412 | \$238,200 | \$2,855,212 | 541 | 6,489 | 649 |
| Optical Goods Stores-44613 | \$305 | \$125 | \$2,445,032 | \$384,197 | \$2,060,835 | 1,260 | 6,757 | 676 |
| Other Health and Personal Care Stores-44619 | \$265 | \$204 | \$3,980,392 | \$306,669 | \$3,673,723 | 1,157 | 13,863 | 1,386 |
| Clothing and Clothing Accessories Stores-448 | | \$2,285 | \$44,631,149 | \$8,201,209 | \$36,429,940 | | 127,903 | 12,790 |
| Men's Clothing Stores-44811 | \$315 | \$92 | \$1,804,505 | \$0 | \$1,804,505 | | 5,729 | 573 |
| Women's Clothing Stores-44812 | \$300 | \$379 | \$7,400,113 | \$3,003,808 | \$4,396,305 | 10,013 | 14,654 | 1,465 |
| Children's, Infants Clothing Stores-44813 | \$335 | \$109 | \$2,122,891 | \$0 | \$2,122,891 | | 6,337 | 634 |
| Family Clothing Stores-44814 | \$235 | \$879 | \$17,162,050 | \$837,485 | \$16,324,565 | 3,564 | 69,466 | 6,947 |
| Clothing Accessories Stores-44815 | \$210 | \$74 | \$1,455,240 | \$110,376 | \$1,344,864 | 526 | 6,404 | 640 |
| Other Clothing Stores-44819 | \$265 | \$149 | \$2,917,969 | \$356,466 | \$2,561,503 | 1,345 | 9,666 | 967 |
| Shoe Stores-4482 | \$330 | \$233 | \$4,550,051 | \$933,642 | \$3,616,409 | 2,829 | 10,959 | 1,096 |
| Jewelry Stores-44831 | \$1,050 | \$349 | \$6,809,967 | \$2,959,432 | \$3,850,535 | 2,819 | 3,667 | 367 |
| Luggage and Leather Goods Stores-44832 | \$400 | \$21 | \$408,363 | \$0 | \$408,363 | | 1,021 | 102 |
| Sporting Goods, Hobby, Book, Music Stores-451 | | \$928 | \$18,122,101 | \$8,173,135 | \$9,948,966 | | 45,187 | 4,519 |
| Sporting Goods Stores-45111 | \$240 | \$365 | \$7,132,071 | \$4,376,018 | \$2,756,053 | 18,233 | 11,484 | 1,148 |
| Hobby, Toys and Games Stores-45112 | \$190 | \$190 | \$3,716,238 | \$1,113,681 | \$2,602,557 | 5,861 | 13,698 | 1,370 |
| Sew/Needlework/Piece Goods Stores-45113 | \$135 | \$54 | \$1,054,905 | \$587,489 | \$467,416 | 4,352 | 3,462 | 346 |
| Musical Instrument and Supplies Stores-45114 | \$220 | \$82 | \$1,597,320 | \$328,012 | \$1,269,308 | 1,491 | 5,770 | 577 |

| Residential Retail Analysis: Comparative HH Demand & Sales | | Arlington Retail Sales | | | | Estimated | Sales Leakage SF | |
|---|--------------------------|-------------------------------|---------------|--------------|----------------------|------------------|-------------------------|--------------------|
| Sector (NHCIS code): | 2013 Sales/SF | Demand/ Household | Demand | Sales | Export/Import | Retail SF | Total | Supportable |
| Book Stores-451211 | \$305 | \$177 | \$3,457,850 | \$1,142,867 | \$2,314,983 | 3,747 | 7,590 | 759 |
| News Dealers and Newsstands- 451212 | \$545 | \$14 | \$272,276 | \$625,068 | (\$352,792) | 1,147 | | |
| Prerecorded Tapes, CDs, Record Stores-45122 | \$280 | \$46 | \$891,441 | \$0 | \$891,441 | | 3,184 | 318 |
| General Merchandise Stores-452 | | \$5,694 | \$111,223,272 | \$903,594 | \$110,319,678 | | 264,578 | 26,458 |
| Department Stores Excl Leased Depts- 4521 | \$505 | \$2,397 | \$46,827,535 | \$345,884 | \$46,481,651 | 685 | 92,043 | 9,204 |
| All Other General Merchandise Stores- 45299 | \$370 | \$3,297 | \$64,395,737 | \$557,710 | \$63,838,027 | 1,507 | 172,535 | 17,254 |
| Miscellaneous Store Retailers-453 | | \$1,184 | \$23,131,611 | \$4,951,786 | \$18,179,825 | | 78,920 | 7,892 |
| Florists-4531 | \$300 | \$64 | \$1,241,066 | \$1,193,361 | \$47,705 | 3,978 | 159 | 16 |
| Office Supplies and Stationery Stores- 45321 | \$275 | \$242 | \$4,722,910 | \$0 | \$4,722,910 | | 17,174 | 1,717 |
| Gift, Novelty and Souvenir Stores- 45322 | \$160 | \$187 | \$3,661,965 | \$583,679 | \$3,078,286 | 3,648 | 19,239 | 1,924 |
| Used Merchandise Stores-4533 | \$265 | \$130 | \$2,539,662 | \$764,340 | \$1,775,322 | 2,884 | 6,699 | 670 |
| Other Miscellaneous Store Retailers- 4539 | \$240 | \$561 | \$10,966,008 | \$2,410,406 | \$8,555,602 | 10,043 | 35,648 | 3,565 |
| Foodservice and Drinking Places-722 | | \$5,012 | \$97,896,334 | \$35,257,821 | \$62,638,513 | | 137,947 | 13,795 |
| Full-Service Restaurants-7221 | \$435 | \$2,354 | \$45,983,411 | \$18,275,330 | \$27,708,081 | 42,012 | 63,697 | 6,370 |
| Limited-Service Eating Places-7222 | \$540 | \$2,022 | \$39,489,353 | \$14,270,861 | \$25,218,492 | 26,428 | 46,701 | 4,670 |
| Special Foodservices-7223 | \$320 | \$394 | \$7,699,213 | \$2,468,097 | \$5,231,116 | 7,713 | 16,347 | 1,635 |
| Drinking Places -Alcoholic Beverages- 7224 | \$400 | \$242 | \$4,724,357 | \$243,533 | \$4,480,824 | 609 | 11,202 | 1,120 |

Source: Claritas and RKG Associates, Inc.